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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF STEEL AND HEAVY ENGINEERING

RESOLUTION

New Delhi, the 22nd May 1970

SUBJECT:—System of Planning and Distribution of Iron and Steel.

No. SC(1)-4(19)/70.—In their Resolution No. SC(A)-24(113)/63 dated February 29, 1964, the Government of India had announced their decisions on the Report of the Raj Committee on the system of planning and distribution of iron and steel. A directive was also issued on the same day about the revised system of distribution of iron and steel.

2. With progressive increase in availability, statutory control over prices and distribution of different categories were removed from time to time and with effect from May 1, 1967, all categories were freed from Statutory Price and Distribution Control. The functioning of the Joint Plant Committee and the Steel Priority Committee, however, continued as envisaged in the Resolution and Directive referred to above.

3. Government have had under consideration for some time past the question of revising the present procedures for indenting and distribution of iron and steel, with a view to overcome the shortcomings, in the light of the experience of the working of this system since 1964 and in the light of the spurt in demand with the recent resurgence of economic activity in the country. After carefully considering the various aspects, Government have now decided that the existing system and procedures may be modified to the extent indicated in the following paragraphs.

4. The Steel Priority Committee have so far concerned themselves largely with the regulation of distribution to priority consumers of certain categories of steel, which were termed as 'scarcity categories'. It was not necessary for those requiring non-scarce categories to approach the Steel Priority Committee for allocation of priority. With the growing spurt in demand for all categories of steel, it has become increasingly difficult for priority consumers of these categories to receive assured supplies of their requirements. It has, therefore, been resolved to treat all categories of steel in the same way, abolishing the present distinction between 'scarce' and 'non-scarce' categories. Hereafter, all consumers requiring any category of steel will have to place their requirements of steel before the Steel Priority Committee for allocation of despatch priority.

5. **Steel Priority Committee.**—It has been resolved that the Steel Priority Committee should be strengthened by including representatives of the producers as well as of authorities sponsoring the requirements of important steel consuming sectors. The Steel Priority Committee will also meet at least once every quarter to allocate priority of despatch to consumers every quarter. In addition to the existing members, the following will also be included as members of the Steel Priority Committee:—

- (i) The Chairman, Railway Board, New Delhi.
- (ii) The Secretary, Ministry of Foreign Trade, New Delhi.
- (iii) The Director General Technical Development, New Delhi.
- (iv) The Development Commissioner, Small Scale Industries, New Delhi.
- (v) { The Directors
- (vi) { nominated by
- (vii) { Hindustan Steel Limited.
- (viii) A Director nominated by Tata Iron and Steel Co. Ltd.
- (ix) A director nominated by Indian Iron and Steel Co. Ltd. and
- (x) Joint Secretary, Ministry of Steel and Heavy Engineering.

The Iron and Steel Controller will continue to be its Member-Secretary.

It will be open to the Chairman of the Steel Priority Committee to invite or coopt any other Secretary to Government or Head of Department to any meeting of the Committee. At its meetings the Steel Priority Committee shall review the implementation of its decisions taken in earlier meetings allocating priorities, and shall also generally review the overall position of steel distribution and availability. The Committee shall also from time to time review the working of the Joint Plant Committee.

6. Joint Plant Committee.—The Joint Plant Committee will continue as before. They will meet as often as necessary, but not less than once a month, so that they can effectively discharge their supervisory and co-ordinating functions. In order to develop closer co-ordination with the over-all distribution policies of Government, the Joint Secretary incharge of steel distribution in the Ministry will also attend occasional meetings of the Joint Plant Committee. The Joint Plant Committee should evolve suitable organisation, methods and procedures to review carefully the general market situation, fluctuations in free market prices, the trends of production, availability and movement of iron and steel and, in particular, the despatches from the different steel plants to ensure that the priorities laid down by the Steel Priority Committee are complied with to the maximum extent possible. For this purpose, they should arrange for effective and timely flow of information from the Steel Plants and sponsoring authorities. They will, in turn, submit regular and comprehensive information to the Steel Priority Committee to enable the latter effectively to review and regulate distribution.

7. Indenting procedure.—(a) The present system of regulating the booking of orders on the steel plants will be given up. All indentors requiring iron and steel for genuine purposes will be free to book orders for steel without any ceiling on the steel plants through the Joint Plant Committee. The indents presented to the Joint Plant Committee shall be accompanied by such documents as may be prescribed by the Joint Plant Committee to satisfy them that the indentor is a party authorised or competent to utilise the particular category of iron or steel for any genuine use in construction or fabrication. Where the indentor requires the iron or steel only for purposes of trade, the indent shall be accompanied by the particulars or documents prescribed by the Joint Plant Committee to satisfy them that the party is a *bona fide* and competent trader of iron and steel. The Joint Plant Committee will, after this scrutiny of the indents, forward them to the steel plants nominated by the indentor for booking of orders. The Joint Plant Committee may also prescribe the financial and other formalities to be completed by the various classes of indentors, prior to the steel plant accepting the indent for issue of sale orders. Such sale orders will be valid for a period of two years only from the date of booking and will automatically lapse at the end of that period unless the despatches are effected within that period or the sale orders are included by the Steel Priority Committee for rolling and despatch prior to the date of expiry. The condition regarding such automatic lapse will be included in the conditions of sale in all future sale orders.

(b) Consumers who have orders booked with the Main Producers and who are interested in getting priority for delivery during any quarter should approach the Steel Priority Committee through their sponsoring authorities. The priority allocations will be done quarterly. Steel fabricating units whose requirements do not vary very much from quarter to quarter, will be free to give their annual requirements at the beginning of each financial year instead of applying every quarter as above. In order to prevent leakages from the actual users, it will be necessary for the sponsoring authorities to screen the requirements received from individual consumers carefully before recommending what they consider to be the genuine requirements to the Joint Plant Committee for being consolidated and placed before the Steel Priority Committee. After re-

ceiving these recommendations from the different sponsoring authorities and the estimated production from the Main Producers, the Joint Plant Committee will discuss with the Main Producers and such of the sponsoring authorities as they consider necessary, the extent to which the requirements and estimated production can be matched, and thereupon send their consolidated proposal with their recommendations to the Steel Priority Committee. In framing these proposals, the Joint Plant Committee will have due regard to the need to minimise to the extent possible the freight payable for the movement of these categories. The Steel Priority Committee will take into consideration the estimated production during the quarter in question and allocate despatches of different categories of steel to the consumers. They may, in doing so, earmark the proportions of available production considered reasonable for despatch not to individual consumers direct, but to the stockyards of the Main Producers and to traders, subject to any conditions that they may choose to impose to achieve the most balanced regional distribution. In considering despatches to industries in the small scale sector, the Steel Priority Committee will give weightage to requirements routed through the Small Scale Industries Corporations or Raw Material Depots set up by some State Administrations.

(c) The Joint Plant Committee will, subject to any overall directions from the Steel Priority Committee, prescribe the particulars of information which consumers seeking priority should furnish, the *pro-forma* for this purpose, and the last dates and time table by which this information should be furnished, scrutinised and completed in order to enable effective deliveries against priority allocations in each quarter.

(d) In according priority of despatch to the orders booked by any individual consumer on the main producers, the Steel Priority Committee shall utilise, to the extent possible, such orders which exist on the date of this Resolution. Priority of despatch shall be accorded to subsequent orders only when the existing orders placed by a consumer for the category of steel for which the Steel Priority Committee decides to accord him priority are exhausted.

(e) Where the Steel Priority Committee allocates priority of despatch to any individual party for the purpose indicated by the party, and where it comes to the notice of the Steel Priority Committee that the steel has not been used for the purpose specified, the Steel Priority Committee may turn down or modify any subsequent requests received from that party for allocation of priority of despatch, or suspend any allocation of priority already given.

8. The distribution and sale of defectives, cuttings, re-rollable and other scrap, and of materials from the stockyards of the Main Producers should also be regulated by the Joint Plant Committee on a uniform basis for all the producers. For this purpose, uniform procedures and systems for the distribution and sale of these categories should be prescribed, for adoption by all the Steel Plants and reviewed from time to time by the Joint Plant Committee.

ORDER

ORDERED that a copy of this Resolution be communicated to all concerned and that it be published in the Gazette of India Extraordinary.

R. C. DUTT, Secy.

